

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

THE BROOKLYN UNION GAS COMPANY
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO
OFFICE OF CONSUMER ADVOCATE WITNESS:
GAIL WILLETTE (OCA-T-400)

Pursuant to Sections 25 and 26 of the Rules of Practice of the Postal Rate Commission ("Commission"), The Brooklyn Union Gas Company ("Brooklyn Union") hereby submits the following Interrogatories and Requests for Production of Documents.

Respectfully submitted,

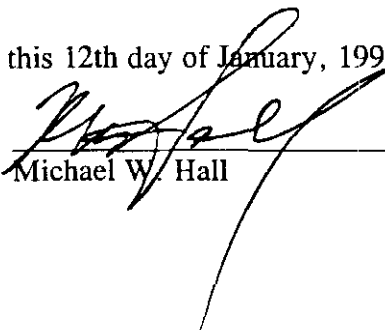


Michael W. Hall
Cullen and Dykman
1225 Nineteenth Street, N.W.
Suite 320
Washington, D.C. 20036
(202) 223-8890

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all relevant participants in accordance with Section 12 of the Rules of Practice and Rule 3(C) of the Special Rules of Practice in this proceeding.

Dated at Washington, D.C., this 12th day of January, 1998.



Michael W. Hall

**THE BROOKLYN UNION GAS COMPANY
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS TO
OFFICE OF CONSUMER ADVOCATE WITNESS:
GAIL WILLETTE (OCA-T-400)**

Instructions and Definitions: In answering the following interrogatory, please refer to the instructions and directions attached to the interrogatories and requests for production of documents directed to USPS Witness Michael Miller.

BUG/OCA-T-400-1

Please refer to page 5 of your testimony. There you indicate that you believe that the cost study prepared by Postal Service witness Miller for PRM/QBRM is applicable to CEM. On page 6 of your testimony you state that "...the cost avoidance of courtesy reply mail ("CRM") and PRM letters is the same."

- A. Aside from the determination, administration and payment, please explain why you believe the processing costs for CEM and PRM are the same.
- B. Are you aware that USPS witness Miller stated (in response to BUG/USPS-T-23-11) that his testimony "measures the mail processing cost avoidance between a preapproved, prebarcoded reply mail piece and a handwritten reply mail piece. The delivery attributes would have been the same for both mail pieces and were not included in my testimony as they would not have contributed to further increasing the magnitude of the cost avoidance."? See Attachment A.
- C. Is it your view that the delivery attributes of PRM and CEM are identical? Please explain.
- D. Is a minimum PRM monthly volume of 33,333 pieces (your testimony, page 22) a significant delivery attribute? Please explain any no answer.

- BUG/OCA-T-400-2 On page 12 of your testimony you state that the maximum revenue reduction would be \$219 million under your proposal to offer a 3-cent discount to qualifying CEM letters. How should the Postal Service make up these lost revenues?
- BUG/OCA-T-400-3 On page 15 of your testimony you state that your proposal "does not contemplate that the Commission adopt CEM as a replacement of PRM and QBRM." Do you believe that your proposal for a CEM discount should be considered by the Commission separate and apart from the Service's proposal to establish a PRM rate? Please explain.
- BUG/OCA-T-400-4 Do you agree that aside from postage determination, administration and payment, CEM and PRM differ substantially on volume densities as the mail is received at the delivery office? Please explain any no answer.
- BUG/OCA-T-400-5 On page 17 (Line 15-16) of your testimony you note that "CEM is superior to PRM because it is less complicated." On page 25 you state that "CEM has many advantages over PRM."
- A. In your view is CEM "superior to" and "has advantages over" PRM only because of the way in which postage is determined, administered and paid by PRM recipients? Please explain any no answer.
- B. In your view, is it "less complicated" for the Postal Service to provide and administer (including education and enforcement) two separate First-Class stamps for millions of residences and businesses than for a finite number of sophisticated PRM recipients to determine, administer, and pay postage on PRM mail pieces they receive. Please explain any yes answer.
- BUG/OCA-T-400-6 On page 20 of your testimony you state that "PRM will not likely attract many mailers." By use of the word "mailers", are you referring to PRM recipients (who distribute qualified PRM letters) or PRM mailers (who return qualified PRM letters to the PRM recipients)?

BUG/OCA-T-400-7

On page 22 of your testimony you note that the \$1,000 monthly fee alone, for PRM recipients, implies that a minimum of 33,333 letters must be received each month in order to break even. What will be the minimum monthly volume for CEM recipients under your proposal?

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS MILLER
TO INTERROGATORIES OF BROOKLYN UNION GAS COMPANY
(BUG/USPS-T23-11 THROUGH 13)**

The United States Postal Service hereby files the responses of witness Miller to the following interrogatories of Brooklyn Union Gas Company, dated September 16, 1997: BUG/USPS-T23-11 through 13.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Michael T. Tidwell

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September 30, 1997

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MILLER TO
INTERROGATORIES OF BROOKLYN UNION GAS COMPANY**

BUG/USPS-T23-11. Please refer to your responses to BUG/USPS-T23-4 and 6. Please confirm that your model examines the cost differences between two pieces of reply mail, one hand-addressed and the other prebarcoded and automation compatible. In addition, each of these pieces includes all of the cost savings attributes exhibited in general of reply mail pieces that are delivered to a recipient in very large quantities. If you cannot confirm, please explain.

RESPONSE:

My testimony measures the mail processing cost avoidance between a preapproved, prebarcoded reply mail piece and a handwritten reply mail piece. The delivery attributes would have been the same for both mail pieces and were not included in my testimony as they would not have contributed to further increasing the magnitude of the cost avoidance.